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LB 99

LB 99 is a bill that I've introduced or carried over to the later session every year since I have been in the Legislature. And what this bill deals with is state taxation of bingo. The background on this bill is as follows, we have a number of legal forms of gaming in the state of Nebraska, ranging from the state lottery to horse racing, all the way down to bingo, which I would argue is the most benign form of gaming. The category of gaming that bingo fits into is what's called charitable gaming. And bingo, along with pickle cards, are primarily used to fund organizations that are nonprofit in nature. The funds are used not for profit and go to the operation of the organization, typically, these tends to churches, charities, things of that type. And the fact is this, that, number one,...I should say the facts are these, number one, Nebraska has the highest tax on bingo in the United States, as far as I have been able to determine. We tax bingo at 8 percent of the gross, and this is the gross proceeds, not the net, it's an 8 percent gross tax. What LB 99 would do is reduce that tax from 8 percent to 3 percent. The way that this would be accomplished is that currently we have a state tax of 6 percent of the gross, that would be cut in half, that would reduce the tax, the state tax to 3 percent of gross. We have 2 percent of the tax that is allocated to local subdivisions that the individual bingo game is conducted within, and that would be eliminated entirely. The reasoning behind that is that long ago, long ago being about 15 years, when this current tax structure was established the cities, in fact, were responsible for a good deal of policing and regulation of bingo. For that reason the state opted, at that time, to give them 4 percent gross tax allocated to the cities on the theory that they, in fact, were doing enforcement of the bingo regulations and were entitled to some proceeds from the operation of bingo. That is no longer the case. In fact in the early eighties the decision was made, by the Legislature, to give the Department of Revenue, under the auspices of the Charitable Gaming Division, total regulatory control over the operation and policing of bingo in the state of Nebraska. And cities, at that point, were taken out of the mix. They have no responsibilities, they have absolutely nothing to do with the regulation of bingo. Because of that their 4 percent gross was cut down to 2 percent several years ago. What I would propose to do in LB 99 is eliminate that in its entirety. So, in fact, what the bill would do again is reduce the gross bingo tax,